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C O N F I D E N T I A L SEOUL 002761

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E.O. 12958: DECL: AFTER KOREAN REUNIFICATION
TAGS: [PGOV](#) [PREL](#) [KS](#) [KN](#) [JP](#)
SUBJECT: JAPAN-DPRK WORKING GROUP MEETING

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4 (b/d)

11. (C) Summary: A Japanese Embassy contact told us that the September 5-6 Japan-North Korea bilateral meeting in Ulaanbaatar was "better" than the previous meeting in Hanoi, especially the overall atmosphere. One concrete result was that North Korea agreed to have further meetings. Substantively, results were quite limited. The two sides agreed to divide the meeting into two sessions: the abductions and the "past." There was no movement on the abduction issue; the "past" was essentially a discussion of Japanese economic and financial assistance North Korea could expect upon normalization of relations, but no specific amounts were discussed. End Summary.

Atmosphere Better

12. (C) While lacking in substantive results, the September 5-6 bilateral working group meeting between Japan and North Korea was better than expected, according to Japanese Embassy Political Minister Aiboishi. North Koreans were on their best behavior, listening politely and asking a number of questions. At the outset, the two sides agreed to hold two sessions. The first day would be devoted to resolving the history issues, or the "past," as characterized by our Japanese Embassy contact, while the second day's discussion would be on the abduction issue. At the end of the two-day meeting, both sides agreed to meet "more frequently."

Day 1: Economic Assistance

13. (c) The first day discussion on the past was largely devoted to discussing the Japanese economic assistance program. The Japanese side explained that North Korea could expect a substantial assistance package upon normalization of relations, just as South Korea received compensation when it normalized relations with Japan in 1965. The GOJ delegation explained that the 1965 Japan-South Korea agreement consisted of USD 300 million in grant, USD 200 million in long-term loans at concessional interest rates and USD 300 million in private credits from Japanese financial institutions. The GOJ delegation also spent some time discussing various economic assistance options, including the wide use of concessional loans provided by the Japan Bank for International Cooperation.

14. (C) The North Korean delegation was quite well aware of the Japanese economic assistance policy, having held similar discussions five years ago during PM Koizumi's visit to Pyongyang. There was no discussion on the likely size of the package. The North Korean side, however, voiced some concerns on the loans, saying that Pyongyang would prefer most of the assistance be given as grants.

Day 2: Abductions

15. (C) There was no progress on the abduction issue, Aiboshi said. Still, the North Korean side went through the motion of describing the various steps they had taken over the past several years, including the return of several victims, their families and a set of remains they claimed belonged to Japanese abductee Megumi Yokota. There was nothing more they could do, the North Koreans said.

16. (C) The bilateral working group also discussed the remaining Japanese Red Army members currently living in North Korea. Aiboshi explained that beyond the core five JRA members responsible for terrorist incidents, including the 1970 Yodo-go hijackers, there were a number of other JRA associates and family members who later joined the core members. The North Korean position was that this was an issue for the GOJ and Japanese people. If the JRA members wanted to go back to Japan, Pyongyang would be accommodating.

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